

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

In re

Chapter 11 Cases
Joint Administration

WYNIT DISTRIBUTION, LLC, ET AL.¹,

Case No. 17-42726

Debtors.

NOTICE OF RECLAMATION DEMAND

PLEASE TAKE NOTICE that on September 26, 2017, Deuce Entertainment, LLC, on behalf of itself and its affiliates, subsidiaries, and divisions (“**Deuce**”), delivered a letter to the debtors asserting reclamation demands pursuant to section 546(c) of the Bankruptcy Code (the “**Demand Letter**”).

PLEASE TAKE FURTHER NOTICE that a copy of the Demand Letter is annexed hereto and incorporated by reference.

PLEASE TAKE FURTHER NOTICE that Deuce reserves all rights under section 503(b)(9) of the Bankruptcy Code, including with respect to any of the goods identified in the Demand Letter that were delivered within 20 days of the petition date. Deuce further reserves the right to recover from, or exercise any other remedy against, any Debtor that has possession, custody, or control over the goods, or is responsible for payment.

¹ The Debtors in these chapter 11 cases are the following: WYNIT Distribution, LLC (Case No. 17-42726), WD Navarre Distribution, LLC (Case No. 17-42728), WD Encore Software, LLC (Case No. 17-42729), WD Navarre Holdings, LLC (Case No. 17-32864), WD Navarre Digital Services, LLC (Case No. 17-32865), WYNIT Holdings, Inc. (Case No. 17-32866), WD Navarre Canada, ULC (Case No. 17-32867).

Dated: September 27, 2017

WINTHROP & WEINSTINE, P.A.

By: s/ Ian M. Rubenstrunk

Daniel C. Beck, #0192053

Ian M. Rubenstrunk, #0397881

225 South Sixth Street, Suite 3500

Minneapolis, Minnesota 55402

Tel: (612) 604-6400

Fax: (612) 604-6800

dbeck@winthrop.com

irubenstrunk@winthrop.com

Attorneys for Deuce Entertainment, LLC

14262232v1

PERKINScoie

1888 Century Park East
Suite 1700
Los Angeles, CA 90067-1721

+1.310.788.9900
+1.310.788.3399
PerkinsCoie.com

September 25, 2017

Amir Gamliel
AGamliel@perkinscoie.com
D. +1.310.788.3276
F. +1.310.843.1246

VIA FEDERAL EXPRESS

Phillip J. Ashfield
Edwin H. Caldie
Andrew J. Glasnovich
Robert T. Kugler
STINSON LEONARD STREET
150 S. Fifth Street, Suite 2300
Minneapolis, MN 55402

WYNIT Distribution, LLC
700 W. 76th Street, Suite 116
Eden Prairie, MN 55344

**Re: In re WYNIT Distribution, LLC
Minnesota Bankruptcy Court Case No.: 17-42726
RECLAMATION OF GOODS**

Dear Gentlemen:

We represent Deuce Entertainment, LLC ("**Deuce**") in connection with this bankruptcy case. In order to preserve the rights provided by section 546(c) of the Bankruptcy Code, Deuce hereby demands the reclamation and immediate return of all goods sold and delivered to WYNIT Distribution, LLC and its debtor affiliates (collectively, the "**Debtors**") by Deuce within 45 days prior to the commencement of the Debtors' bankruptcy proceedings (the "**Goods**"), including without limitation those Goods identified on Schedule 1 annexed hereto.¹

This reclamation demand should not be construed to limit Deuce' right to recover from, or exercise any other remedy against, any Debtor that has possession, custody, or control over the Goods, or is responsible for payment. Deuce expressly reserves its rights under section 503(b)(9) of the Bankruptcy Code to assert an administrative expense claim for the Goods delivered to the Debtors within 20 days prior to the petition date.

¹ The invoices attached to Schedule 1 have been redacted to omit proprietary pricing information. Unredacted copies of the invoices can be made available to the Debtors upon request.

Phillip J. Ashfield
September 25, 2017
Page 2

Deuce also reserves the rights to identify additional Goods, and to provide invoices and other supporting documents upon request. This letter should not be construed to create any obligations of Deuce to vendors with respect to the relevant Goods or associated reclamation rights.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Amir Gamliel', with a stylized flourish at the end.

Amir Gamliel

AG:cm

cc: Matthew Lewis
WYNIT Distribution, LLC
4655 E. Shelby Drive
Memphis, TN 38118

Phillip J. Ashfield
September 25, 2017
Page 3

SCHEDULE 1



ENTERTAINMENT, LLC

1150 S. ROBERTSON BLVD LOS ANGELES, CA 90035
(310) 807-0660 MAIN (310) 807-0650 FAX

Invoice

Date	Invoice #
8/10/2017	131265

Bill To
NAVARRE 9700 W 76TH STREET, SUITE 116 EDEN PRAIRIE, MN 55344

Ship To
4655 E Shelby Drive Memphis, TN 38118

P.O. Number	Terms	Due Date	Rep	Ship	F.O.B.	Via	Tracking
3230977	Net 45	9/24/2017	EA	8/7/2017			779912740276
Item Code	Quantity	Description				Unit Price	Amount
828706542262		HISY: NEW 4.0 (BLACK) #HN226					1,656.00

Merchandise is property of Deuce Entertainment, LLC ("Deuce") until full payment is rendered. A service charge of 2% per month shall be applied to all past due accounts. A \$20 charge shall be added for all dishonored checks. In the event Deuce finds it necessary to institute collection proceedings or legal action to enforce the payment of funds due pursuant to this invoice, the vendee shall pay all costs including attorneys' fees, court costs and others incurred as well as any incidental and consequential damages. Any claims for damaged merchandise must be filed with carrier at time of delivery. Any and all other claims should be filed and faxed to Deuce within 2 days from the date of delivery for its consideration. No returns will be credited to your account without a RA number. A restocking charge of 25% may be applied or deducted for returned goods.



ENTERTAINMENT, LLC

1150 S. ROBERTSON BLVD LOS ANGELES, CA 90035
(310) 807-0660 MAIN (310) 807-0650 FAX

Invoice

Date	Invoice #
8/7/2017	131255

Bill To
NAVARRE 9700 W 76TH STREET, SUITE 116 EDEN PRAIRIE, MN 55344

Ship To
4655 E Shelby Drive Memphis, TN 38118

P.O. Number	Terms	Due Date	Rep	Ship	F.O.B.	Via	Tracking
3230709	Net 45	9/21/2017	EA	7/25/2017			779833791364
Item Code	Quantity	Description				Unit Price	Amount
828706542262		HISY: NEW 4.0 (BLACK) #HN226					1,656.00

Merchandise is property of Deuce Entertainment, LLC ("Deuce") until full payment is rendered. A service charge of 2% per month shall be applied to all past due accounts. A \$20 charge shall be added for all dishonored checks. In the event Deuce finds it necessary to institute collection proceedings or legal action to enforce the payment of funds due pursuant to this invoice, the vendee shall pay all costs including attorneys' fees, court costs and others incurred as well as any incidental and consequential damages. Any claims for damaged merchandise must be filed with carrier at time of delivery. Any and all other claims should be filed and faxed to Deuce within 2 days from the date of delivery for its consideration. No returns will be credited to your account without a RA number. A restocking charge of 25% may be applied or deducted for returned goods.



ENTERTAINMENT, LLC

1150 S. ROBERTSON BLVD LOS ANGELES, CA 90035
(310) 807-0660 MAIN (310) 807-0650 FAX

Invoice

Date	Invoice #
8/10/2017	131264

Bill To
NAVARRE 9700 W 76TH STREET, SUITE 116 EDEN PRAIRIE, MN 55344

Ship To
450 Export Blvd Unit A Mississauga, ON L5S 2A4 Canada

P.O. Number	Terms	Due Date	Rep	Ship	F.O.B.	Via	Tracking
3230981	Net 45	9/24/2017	EA	8/7/2017			779912561680
Item Code	Quantity	Description				Unit Price	Amount
828706542262 SALES INCOME		HISY: NEW 4.0 (BLACK) #11N226 PRICING OFFSET AGREED TO BEGINING JUNE 2015					1,656.00 360.00
						Total	\$2,016.00

Merchandise is property of Deuce Entertainment, LLC ("Deuce") until full payment is rendered. A service charge of 2% per month shall be applied to all past due accounts. A \$20 charge shall be added for all dishonored checks. In the event Deuce finds it necessary to institute collection proceedings or legal action to enforce the payment of funds due pursuant to this invoice, the vendee shall pay all costs including attorneys' fees, court costs and others incurred as well as any incidental and consequential damages. Any claims for damaged merchandise must be filed with carrier at time of delivery. Any and all other claims should be filed and faxed to Deuce within 2 days from the date of delivery for its consideration. No returns will be credited to your account without a RA number. A restocking charge of 25% may be applied or deducted for returned goods.